



North Carolina Department of Health and Human Services Division of Aging

Michael F. Easley, Governor
Carmen Hooker Odom, Secretary

Karen E. Gottovi
Director

Administrative Letter No. 02-8

To: AAA Administrators

From: Karen E. Gottovi *Karen E. Gottovi*

Subject: Use of Waivers to Provide Temporary Standards Relief

Date: June 5, 2002

The Division of Aging is proud of the many accomplishments of the last ten years that have strengthened home and community services for older North Carolinians. These achievements have come with increased state funding from the General Assembly and state, regional and local efforts to enhance the quality of services. Unfortunately, the economic difficulties of the past two years have placed extraordinary stress on the aging network to sustain performance levels. The current situation is especially challenging. First, it became necessary to reduce support of the Home and Community Care Block Grant (HCCBG) in fiscal year 01-02 by \$1,008,273 and freeze state Senior Center General Purpose funds. Second, current budget options presented for fiscal year 02-03 propose further reductions in both the HCCBG and Senior Center funding as well as funding for adult day services. Because it is unlikely that there will be a certified state budget by July 1, the Division of Aging has instructed AAAs and counties to develop local funding plans on the basis of the current year's reduced allocation for the HCCBG as of June 30, 2002, and not to plan any use of Senior Center General Purpose or Senior Center Outreach funding.

For many local providers the situation has only been made worse by other factors associated with budgetary uncertainty and reductions. We are aware that some counties and municipalities are proposing reduced local support for aging programs, and that some United Way agencies are having to reduce their support. We also know of programs that are experiencing a decline in participant cost-sharing and the effects of lowered interest rates in their management of fund reserves. At the same time, many local programs continue to see an increase in their service costs. All of these fiscal issues require local aging services to make difficult decisions about their operations to assure solvency and effective performance.

Because these times are extraordinary, they call for extraordinary measures on the part of all involved parties. The Division of Aging intends to do all that it can responsibly do to provide local programs the means to make difficult choices. Our goal is to enhance the range of possibilities for adjusting the local aging services system to endure the current crisis in funding of home and community services. For this purpose, **the Division is immediately instituting a policy and procedure for providing temporary relief in the application of specific service standards where the benefit of waiving these standards would clearly outweigh the risks, or where the intent of the standard can clearly be met through an alternate means that is more cost-efficient. Please notify your local service providers immediately of this policy and procedure.** The Division has identified several specific items in the standards for Senior Centers and Congregate Meals that it is willing to consider. Attached is an explanation of these items. In addition, the attachment gives further guidance that may clarify existing flexibility within service standards that might help reduce operating expenses. Any waiver granted would only be for the period identified in the approval, and in effect not longer than June 30, 2003. The Division will reassess this policy next year based on the economic climate and will decide then whether to allow those receiving approved waivers to reapply for continuation or amended approval by April 30, 2003.

To request a waiver, the following procedure must be followed:

1. The local provider must submit in writing to its AAA a request that follows the attached format.
2. The Area Agency on Aging must assure that all necessary information is provided and accurate. The AAA must add its written recommendation to the request. The AAA should submit the request to the attention of Mark Hensley at the Division.
3. The Division of Aging may require additional information and will issue a written decision within 30 days of receiving the request.

The Division is unhappy to be in a position of having to institute this policy when our collective efforts should be focused on strengthening the home and community services system; however, we want to assure that our aging services' infrastructure can survive these especially difficult times so that it can flourish in serving needs when times improve. We believe these limited measures to provide administrative relief will not overly compromise our service objectives and will aid area agencies and local providers in identifying the best operating strategies in less than ideal circumstances. We are issuing this policy now because we know that agencies and communities are having to make operational decisions before they begin the new fiscal year, even if the state budget picture is yet to be determined. Of course, the Division will continue to work with all of the Aging Network to develop and support service standards that are fair and promote efficient, effective and quality performance.

Finally, please keep us informed of how the Aging Network is being adversely affected by the current fiscal situation (e.g., programs or sites closing, services terminated). Direct this information to Mary Bethel.

Format for Requesting a Waiver of Service Standard

(Please Submit to Your AAA)

Agency Name: _____

Provider Code: _____

Agency Contact (Name, Address, Phone, E-mail):

Specific Change(s) Requested (reference specific service standards affected):

What are desired effective dates for these changes: (Beginning) _____
(End) _____

Justification (why is change needed, what do you expect to gain, what is likely consequence of not doing this):

Expected effect on programming and participants (including any negative consequence):

Explain how you will track the effect of the change(s):

Other relevant comments:

To Be Completed by AAA

Date of Request of Receipt: _____

Does AAA recommend: _____ Yes _____ No

Comments:

If request is granted, how will AAA monitor effect?

Potential Savings in Local Nutrition Service Delivery Based on Granting Temporary Waivers of Certain Standards and on Management Practices NC Division of Aging

Temporary Waiver

Per Administrative Letter No. 02-8, the Division of Aging will consider a temporary waiver for nutrition programs for up to one year based on a case-by-case request as follows:

- *Reduced days of operation* – sites with limited attendance and programming may request a waiver of the 5 days per week operating requirement where providing daily services are not feasible. Counties should keep at least one site open each day of the week.

CN Standards, p 7; HD Standards, p 12 - “AAA may request a waiver of the 5 day per week requirement for rural programs where providing meals 5 days per week is not feasible”.

All providers requesting temporary waivers to the above Division of Aging requirements must complete and submit the attached “Format for Requesting a Waiver of Service Standard” to their respective Area Agency on Aging. The Division of Aging will review the request and issue a written decision within 30 days of the written request. If you have questions about this potential waiver for nutrition programs, contact Audrey Edmisten at the Division (919-733-0440, audrey.edmisten@ncmail.net).

Guidance for Reducing Expenses during Budget Crisis

- *Reduced staff hours* – Nutrition Program Directors should be reminded that sites are not required to be open 4 hours per day (this is the maximum that site managers can be paid, not a minimum). CN Stds p 19.
- *Restrictions on special eligibility for meals* – Nutrition Program Directors have the option to offer a meal to volunteers under age 60 and certain disabled adults under age 60. (OAA makes this a local option – OAA. SEC.339.H-I).
- *Regional purchasing contracts* – Greater emphasis can be placed on regional food preparation contracts to take advantage of multi-county buying power.
- *Consolidation of sites* – Sites with limited attendance and programming should be combined to decrease overhead costs.
- *Reduce frequency of new menu changes* – Once a menu is certified and signed by a dietitian it may be used repeatedly as long as recipes do not change. All other menu standards must be implemented.

Temporary Waivers for Senior Centers

Per Administrative Letter No. 02-8, the Division of Aging will consider temporary waivers for senior centers as follows:

Senior Center Operations Funding

Temporary waivers to the standards for HCCBG Senior Center Operations for up to one year based on a case-by-case request as follows:

- Reduce required hours of operation to a minimum of 30 hours per week (from 40 hours/week required for multi-purpose senior centers).
- Reduce senior center director's hours to a minimum of 32 hours per week (the standards require full-time hours for the director).
- Waive management training requirement for new senior center managers (managers who have been in their current position for less than one year are currently required to attend The Ann Johnson Institute of Senior Center Management).

All centers requesting temporary waivers to any of the above Senior Center Operations requirements must complete and submit the attached "Format for Requesting a Waiver of Service Standard" to their respective Area Agency on Aging. The Division of Aging will review the request and issue a written decision within 30 days of the written request.

Certified Senior Centers

- Certified senior centers are required to be open for at least 40 hours per week and the center director must be scheduled to work at least 40 hours per week. Directors hired in the past three years are required to have the Ann Johnson Institute training in their training plans. However, based on the unusual budget circumstances and the Division's commitment to the certification program, senior centers that are currently certified are eligible for the temporary waivers outlined above without affecting their certification standing.
- Certified centers are also required to provide a minimum of 15 hours training per year for each full time employee (hours pro-rated for part-time employees). However, a certified center may request a temporary waiver, using the format outlined above, to reduce the required training to 7.5 hours per year, with hours pro-rated for part-time employees.
- Certified senior centers that have been granted temporary waivers to reduce hours of operation, director's hours, or staff training, will not be eligible to apply for re-certification until these can be restored to meet the certification criteria.
- Non-certified senior centers that have been granted temporary waivers to reduce hours of operation, director's hours, or new director's training will not be eligible for certification until these are restored to meet the certification criteria.
- Once the temporary waiver has been lifted and is no longer in effect, certified centers will be required to return to their normal operating hours, the director must resume a 40-hour-per-week schedule, and required training hours must resume in order to remain certified.

If you have questions about these potential waivers for senior centers, please contact either Reggie Durham or Judy Smith at 919-733-0440 or reggie.durham@ncmail.net or judy.smith@ncmail.net